



**STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
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**EXCHANGE INSURANCE COMPANY PLACED IN SUPERVISION**

NASHVILLE, TN. \_ In December 2002, Exchange Insurance Company was placed under confidential supervision by the Department of Commerce and Insurance due to the company's financial problems. This order is now being made public due to the need to cancel many of the company's policies currently in force.

In the last ten days, Exchange Insurance Company has made several important policy decisions in order to improve its financial condition. The department has approved these actions because it believes they are in the long-term best interest of the company and Tennessee taxpayers.

The policy changes include:

- The company will no longer reinstate policyholders who fail to pay their premiums on time.
- The company has discontinued writing new business.
- The company has sent 470 non-renewal notices to all policyholders whose policies expire in the first ten days of April.
- The company has issued approximately 5,000 notices of cancellation effective March 28, 2003, on all policies written through any agency whose contract has been canceled.

Exchange Insurance Company continues to operate in this state under these restrictions. The company is a large writer of homeowners policies in this state, with 23,000 insureds.

If your policy has been cancelled or non-renewed, please contact your local insurance agent to obtain new coverage.